



**U.S. Department of the Interior
Bureau of Land Management
Eastern States
7450 Boston Boulevard
Springfield, Virginia 22153**



Press Release

For Immediate Release

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Federal Government Leases Land in Kentucky for Coal Exploration

One tract of Federal coal brought in a competitive bid of \$150.23 per acre for a total bid of \$47,250 on about 315 acres located on Blue Hole Federal Mineral Tract in the Daniel Boone National Forest. The Coal Lease Sale was conducted by the U.S. Department of the Interior's Bureau of Land Management - Eastern States on Thursday, May 11, 2006 in Springfield, Virginia.

The winning bid was made by Chas Coal Company LLC of Beverly, Kentucky. The sale attracted one bidder, the company which submitted the application to lease. The bid was accepted and certified May 18, 2006.

Income from coal leasing occurs from three primary methods; royalty for produced coal, bonus bids at the time of lease sale, and rental prior to production. Generally, royalty from Federal coal mined underground is 8 percent of the gross sales price and 12.5 percent for surface operations, of which approximately 50 percent is distributed to the state where the lease is located.

The date for the next coal lease sale has not yet been determined. Visit www.es.blm.gov for more information about coal lease sales and other BLM programs.

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